

19 July 1954

OGC Has Reviewed

Memorandum for the Record

Subject: Consultants and Experts

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1. [] of Personnel called to say that they had received from the Civil Service Commission a pamphlet entitled "Employment and Compensation of Experts and Consultants".

2. On page 23 of this pamphlet appears the following statement:

"Experts and consultants not subject to a 'Federal' retirement system are covered by Social Security provided they are not contract employees. With respect to contract employees, it is assumed that personal service contract employees as experts or consultants are subject to Social Security if not under a Federal retirement system."

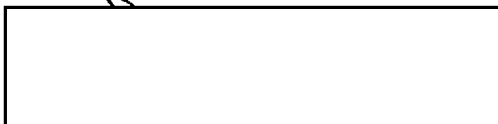
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[] pointed out that these two sentences appear contradictory and also contrary to the verbal ruling we received from the Assistant to the Director of the Social Security Administration at Baltimore; namely, that their practice is not to treat as covered by Social Security any person hired under a contract instrument unless such person is subject to the self-employment tax as an independent contractor.

3. I discussed the matter with Mr. Meloy, legal advisor to the Civil Service Commission, who stated that his understanding was as given to us by the Social Security people. As a final check he referred me to Mr. Talbott, currently replacing a Mr. Crunkelton in the retirement section of the Commission. Mr. Talbott's opinion was (1) that the opinion of Social Security Administration should be controlling in any case since they were charged with the administration of the Act; (2) that their opinion was correct as he understands the law; (3) that the CSC pamphlet had never been cleared by the retirement section; and (4) that he would advise us not to comply with anything in the pamphlet which is contrary to the opinion given us by Social Security. This information was passed on to Mr. []

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Office of General Counsel